

SOUTHWESTERN

By Brian Staker

Extraordinary Natural and Business Attractions

An inundation of travelers converges upon southwestern Utah each year for the stunning scenery and inviting climate. Some of the adventure-seekers are lured back to the area to build houses and call the red rock home. But not only sightseers are enticed by this exceptional area. Companies also recognize the benefits of relocating to southwestern Utah: the ease of doing business in the state and the pleasure of living among some of nature's most breathtaking vistas. St. George, the region's popular hub, was recently listed as one of the "Hot Small Towns in the West" by Sunset magazine, and Newsweek cited its housing costs as some of the most affordable in the region.

The economy of the region is as diverse as the colors of the landscape, with a seemingly endless list of advantages: easy access, strategic location, room to grow, affordable development costs and, above all, an educated and skilled workforce.

All of these factors have brought Allconnect, Inc. to the region. The Atlanta, Georgia-based company, a provider of household relocation services, opened a new call center in St. George in January. "The St. George location was chosen over eight site finalists because of the redundant fiber-optic availability, a favorable labor market, and the Mountain time zone," said Mark Miller, chairman and CEO of Allconnect. "Our Utah facility expands our reach in the western United States."

COUNTY BY COUNTY

Known as "Utah's Dixie," an appellation stemming from the area's warm climate, southern location and late 19th century production of cotton, Washington County has seen its economy evolve from primarily agricultural to focus on areas of tourism, trade and services. With 12 championship golf courses playable year-round, the golf industry has become an important part of the county's economic growth and development. St. George, its largest community, enjoys more than 300 days of sunshine annually and is known

FAST FACTS:

Counties: Washington, Beaver, Kane, Iron, Garfield

Major Cities: Saint George (56,382), Kanab (3,528), Beaver (2,511), Panguitch (1,476), Cedar City (21,946)

Regional Civilian Labor Force: 107,534

Per Capita Income: \$18,663 (Washington), \$17,995 (Beaver), \$22,520 (Kane) \$17,234 (Iron), \$22,676 (Garfield)

Major Employers: Ruby's Inn, South Central Utah Telephone, Southern Utah University, Convergys, Market Reps Comm., Best Friends Animal Sanctuary, Bullfrog Resort and Marina, Circle Four Farms, Milford Valley Healthcare Services, Dixie College, Intermountain Health Care, SkyWest Airlines

Average Sale Price of Homes, Third Quarter 2004: Washington County \$283,313



as the "Year Round Golf Capital of Utah." The city, which operates four courses, is home to Sunbrook Golf Course, considered the jewel of St. George and rated by Golf Digest as Utah's No. 1 public course.

Washington is Utah's fastest-growing county, with an annual growth rate of 6.4 percent between 1990 and 2000, according to 2000 census data. Speculating on Washington County's popularity as a destination spot and retirement community, economists project its steady growth will continue, with St. George's current population of 67,000 burgeoning to 130,000 within 30 years.

"Our strengths are diversity, both economic and demographic," says Scott Hirschi, director of economic development for Washington County. "There's no single dominant industry here. The largest employer is still relatively small." Intermountain Health Care is building a new hospital in St. George, which will make the health provider the largest private employer in the county and the second largest

overall.

Washington County has long served as the regional center of commerce for southern Utah and south-east Nevada, a status that's reflected in its diverse niche industries, including medical and legal services and retail home furnishings. St. George features a high concentration of retail suppliers including Super Wal-Mart, Target, K-Mart, Costco, Home Depot and Lowe's. Other retail centers include the 38-acre Red Cliffs Mall with its 53 stores, and the Zion Factory Stores at Red Cliff.

"The attractions of living here are widely known," Hirschi explains, "including the weather, open space, small-town feel and big-town conveniences. Our workforce is motivated and expanding. Utility costs are low. We have great logistics for shipping and business-friendly government. We've been largely insulated from the recent economic downturn due to our diversity."

In the early part of the 20th century, neighboring Kane County boomed in tourism services because



of its proximity to Bryce Canyon, Zion and Grand Canyon National Parks. In the 1920s, Hollywood discovered the vermilion cliffs and pinion desert of Kane County's largest community, Kanab, and the town was suddenly transformed into "Little Hollywood." Kanab has since become a well-known backdrop for filmmaking. Economists forecast that Kanab's current population of 3,500 will grow to nearly 11,000 within the next 30 years.

With a historic economy based in mining and smelting, Iron County earned its name from the presence of iron deposits in the area. Today, Iron County's employment base centers around Southern Utah University in Cedar City and from government offices, manufacturing and a variety of niche service and trade-related companies, such as the business marketing firm Convergys.

The county hosts the Tony Award-winning Utah Shakespearean Festival, which draws thousands of visitors to the SUU campus each summer to enjoy some of the best theatrical productions in the nation. Iron County is also home to Brian Head, an alpine and Nordic ski resort located near Cedar Breaks Monument.

Lumber and agriculture were the mainstays of scenic Garfield County until the early 1900s, when the creation of area national parks introduced tourism to the local business environment. Garfield is a gateway to the sandstone spires and colorful formations of two national parks, Bryce Canyon and Capitol Reef, and is also home to the Glen Canyon National Recreation Area and the newly created Grand Staircase-Escalante National Monument. Historic Ruby's

Inn, a major hotel and resort located near the entrance of Bryce Canyon, is the county's largest employer according to state labor figures.

MAKING CONNECTIONS

Networked by the state's primary north-south transportation corridor, Beaver County offers a unique mix of tradition and innovation. The county boomed during the glory years of local mining in the late 1800s and has since served as a regional shipping hub for area livestock producers. It is currently distinguished as the state's largest pork-producing region. Like other counties in Utah's Southwestern region, Beaver County has begun to tap into the tourism industry through its proximity to national parks and local alpine ski resorts.

The diversity of the region alone might not create strong business advantages without the transportation network linking everything together. Interstates 15 and 70 connect Las Vegas and Phoenix to Salt Lake City and Denver. The business community confirms that the five-county area is strategically poised as a gateway to the West.

In addition to interstate highways, daily flight service through St. George and Cedar City municipal airports connects the region's communities with Salt Lake City and points beyond. Flights from St. George to Los Angeles, for example, take only one hour and fifteen minutes. SkyWest Airlines, based in St. George, sends six or more non-stop flights each day from St. George to Salt Lake City. It is the country's largest independent regional air service, and the new terminal in Cedar City will add even more flights to the region.

The FAA recently approved construction of St. George's replacement airport to further improve service. With estimated completion in 2010, it will relieve the pressure that growth has put on St. George Municipal Airport. Regional cities are also served by several daily shuttle services to Las Vegas.

More than 20 trucking companies and commercial flight operators make good use of the southwestern region's central location between Phoenix, Las Vegas and Los Angeles in the south, and Salt Lake City in the north. And rail transport is also used to get markets moving. WL Plastics of Mills, Wyoming, found the transportation logistics of Cedar City made the area an ideal location to do business. "Draw a distribution circle around Cedar City, and you can reach almost all of the Western population by truck within one day," says company President Mark Wason. Since the completion of the 33,000-square-foot facility in May, the firm's production of pipe for oil, gas, mining and industrial companies has nearly doubled that produced by the

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Dallas Stephens
owner, DM Technologies



company's Wyoming plant.

With a regional workforce of more than 70,000, the Southwestern region enjoys a ready labor pool of skilled and educated workers drawn to the area by its clean living, warm climate and extensive outdoor recreation opportunities. Scott Truman of the Utah Rural Development Council affirms the region's bright business climate: "We are anticipating strong economic outlooks. Tourism and travel is a significant part of the economy, and last year the region's tourism was up 7-8 percent."

More and more people envision a bright business forecast for southwestern Utah, away from the smog and sprawl of its neighbors. DHS Products, the largest manufacturer of professional nail products in the United States, formerly located in Southern California, has selected Cedar City as the site for its new corporate headquarters and international production facility, and is now in business here. The new Cedar City facility is strategically located to take advantage of quick one-day trucking

capability to the Western states.

"We were able to make a strategic business decision based on the acquisition cost of the land and building along with excellent utility cost and quality of life for our employees," said owner Dallas Stephens. In May the small computer services firm DM Technologies moved its home office from Bakersfield, California to St. George, and partner Mark Simons says, "We like the change, from the people to low start-up fees here. Economically, southern Utah is very business-friendly."

PROFILE OF SUCCESS: STRATA

Strata was founded in 1988 by brothers Gary and Ken Bringhurst. As students at Brigham Young University, the Bringhursts frequently discussed a concept they had for a three-dimensional illustration software package. Their vision became a reality as the St. George firm developed numerous applications for use with Photoshop, Acrobat and many other programs.

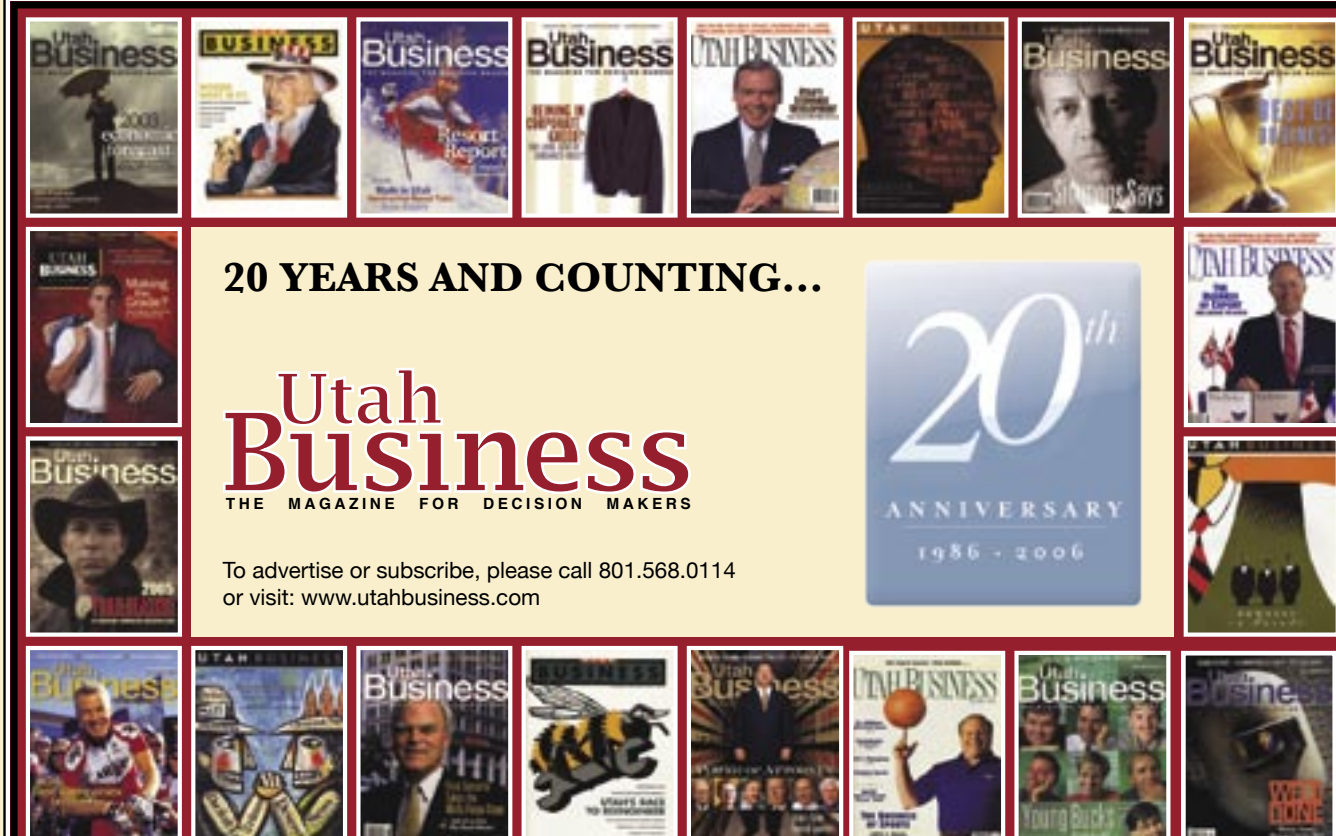
Under the company's new model,

the "Open Creative Environment," Strata employees, partners, associates and members thrive as they share their ideas and creative projects. With a user base of more than 500,000, Strata has one of the largest 3D user communities in the industry, including creatives at such well-known firms as Disney, TimeWarner, Playboy, Philip Morris, Ford and Boeing, to name just a few.

The company holds the annual Red Rock Revival every October in Zion Canyon for users to convene amidst breathtaking scenery and hands-on insights. Strata has won the Utah Governors Award for Entrepreneur of the Year, the Mountain-West Venture Entrepreneur of the Year Award, and the MassMutual Blue Chip Company Award. The Strata product line has won virtually every award in its industry. A sampling includes MacWorld's Eddy award, Mac Addict's Spiffy award, NewMedia's "Awesome Award," the Computer Graphics World Editor's Choice Award, and the Japanese MacLife Award for Excellence.



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